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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

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INFORMATION REPORT

CD NO.

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COUNTRY Argentina/Austria

DATE DISTR. 27 January 1950

SUBJECT Plan Presented by Friedrich Ruhstein to Fritz
Mandl and Argentine Representatives in Vienna on
Establishment of War Industry in Argentina

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2. The plan sets forth the advisability of establishing a tank, military motor vehicle, and aircraft industry in Argentina by expanding existing factories and constructing new ones. It is pointed out that this enterprise would profit Argentina by standardizing its military equipment and by freeing for other purposes the money it now uses for the purchase of surplus military equipment in the United States. The plan is described as a reasonable aspiration since Argentina has at its disposal all the necessary raw materials for production and because Ferdinand Porsche, a prominent engineer who was formerly a member of the German armaments industry, is understood to be in Argentina as a member of the firm Automotores Argentinos A. G.
3. Ruhstein suggested that he be given the authority and funds to recruit needed technicians and specialists as well as manual labor in Europe from the remnants of the German war machine and the Wehrmacht. He further suggested that physicians, nurses, and security personnel be recruited in Europe for employment in the proposed military factories. For security reasons, these individuals should have no gainful employment outside the factories. A commission composed of outstanding technicians and engineers should be set up in Argentina to supervise the establishment of the war industry.
4. The plan contains a discussion on the essentials needed for production and the type and quality of material that should be produced. Since Argentina does not possess sufficient industrial capital, machines, tools, and the like should be purchased from various European countries. The production of the Argentine war industry is dealt with in great detail. It is proposed that under the major production sections concerned with tanks, military motor vehicles, and aircraft, sub-departments be established for the production of weapons and equipment relevant to the operation of major materiel.

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